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IN THE

Supreme Court of the United States

October Term, 1946.

No. 504.

JAMES MARR, doing business as MARR DUPLICATOR COMPANY,

Petitioner,

vs.

A. B. DICK COMPANY,

Respondent.

Reply Brief of Petitioner.

C. P. Goepel,
Attorney for Petitioner.

Edward D. Bolton,
Of Counsel.

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REFUTATIONS AS TO THE QUESTIONS.

I.

Question No. 1.

Machine claims are usually combination claims (which admit the antiquity of the elements composing the combination). Such claims were involved in *Schriber* v. *Cleveland Trust Co.* from which respondent quotes on page 8. The three cases cited by Mr. Justice Stone in support of his statement were machine and process claims respectively. As the validity of such a claim depends upon the novelty of the result (effect) produced by the listed elements, the claim is naturally "read or interpreted in the light of the specification," which means nothing else than that the specification (which must be commensurate with the claim) is used to give further explanation to the succinct or condensed claim language. The specification is

the definition of the claim. This is altogether different from reading into the claim an element not set forth therein. The patentee could have written his claim to include such an additional element. He is estopped from departing from his election. Such an attempt to include a different concept violates the rule that "the claim is a statutory requirement prescribed for the purpose of making a patentee define what his intention is so distinctly and exactly as to apprise other inventors and the public, what is withdrawn from general use."[1] The reading of the claim "in the light of the specification" for general elucidation, does not justify the enlarging or narrowing of the literal terms of a claim to an extent inconsistent with their real meaning, as stated in connection with a machine claim.

A chemical product or composition of matter claim differs from such a machine or combination claim in this: That it must so clearly describe the end product that it may be immediately recognized in its differentiation over the prior art and in its warning as to what is being preempted. These stringent requirements are imposed because such a composition claim embraces all like products however produced.[2]

To further contrast a combination claim and a composition of matter claim the following analogy may serve. A combination claim may be compared to inductive reasoning, in that the conclusion of novelty in result (effect) is inferred from the listing of the known elements; whereas a composition of matter claim may be compared to deductive reasoning in that the conclusion (the entire novelty of the end product) is set forth, the reasons for said conclusion being inferred from, rather than being set forth, in said claim.

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1. Judges Wallace, Lacombe, Shipman in *Thomson Houston El. Co.* v. *Elmira and Horseheads Ry. Co.*, 71 Fed. 396, 404 (CCA 2).
2. Judge Frank wrote an excellent dissent discussing product claims in *Schering Corporation* v. *Gilbert and Bell*, 153 Fed. (2) 428, CCA 2.

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Respondent's position is that while "cellulose ester" of the claim (which does not describe the end product but only a chemical formula), includes a modified nitrocellulose (which results from the addition of castor oil to nitrocellulose in its volatile solvent, as in the patent), this element of the claim may be enlarged to include a destroyed cellulose ester (as results from adding a large quantity of amylstearate to nitrocellulose in solution). As to the other element of the claim, respondent's position is that while a "tempering agent" includes an oil without delimitation (as in the patent), this element may be enlarged to include a large proportion of oily material limited to its physical (not chemical) sense.

On this issue, petitioner replies that respondent thereby disclaims the claim as issued, with the consequent admission that it is invalid, and that the claim cannot be considered as re-written to include concepts different from the meaning of the elements of the patent; either for saving the claim over the prior art patent to Campion, or, for embracing competitor's stencil.

Thus, Question No. 1 goes to the root of chemical product or composition of matter claims.

Question No. 2.

To this most important question which goes to the root of every litigated case, no answer is made. Respondent contents itself with pointing to the findings themselves (R. Br. 9), which are put directly in issue by the question.

Questions Nos. 3 and 4.

Because the lower tribunals compared incidental features (the misnamed and irrelevant "oily liquid"), respondent says the question is moot. They should have compared the respective ingredients as to their identity,

working, and result produced by such working, in accordance with the principle of equivalency.

Upon the advent of the new MO_{37} and MO stencils into the accounting, the Accounting Master was confronted with the questions of law: What did the patent mean?[3] What did the decree mean? What did the A F stencil mean in the light of that decree? What did the MO_{37} and MO stencils mean in the light of the patent and decree?

No Special or Accounting Master should have that power. That power belongs to the Trial Judge. Thus Questions 3 and 4 are real and of the greatest importance, and their answer should assure a defendant his day in court and confine accountings to what the word accounting actually means.

Question No. 5.

Respondent takes the view that the *Duplate Corp.* v. *Triplex Safety Glass Co.*, 298 U. S. 448, controls every accounting.

Petitioner urges that the facts in a patent accounting control the application of the rule of law. Some facts require the segregation rule, another state of facts requires that the infringement be considered in its entirety.

That the *Duplate* case does not fit the facts exactly, follows from the use, by the court below, of the word "implicit".

Question No. 6.

The sole question is one of law.

Respondent admits it did not bring in directly the California corporation as a party defendant, so it seeks to hold it indirectly under the guise of a shell. There is no injustice or fraud to be prevented. Respondent had the right to sue the California corporation and obtain its

3. Judge Patterson apparently did not examine the claims. He wrote a different patent. He did not define tempering agent, in fact did not use the word.

recovery directly from it. The California corporation has a right to its day in court.

Conclusion.

The fact that the patent has expired[1] is immaterial and does not expatiate the contraventions to the permanent principles of law.

The "concurrent" findings followed from the paraphrasing of the dictum of an earlier decision of the same Court of Appeals Judge which later confirmed his earlier decision.

The importance and far-reaching character of the questions find no negation by respondent.

New York, N. Y., October 7, 1946.

Respectfully submitted,

C. P. Goepel,
Attorney for Petitioner.

Edward D. Bolton,
Of Counsel.

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1. *Rice & Adams Corp.* v. *Lathrop*, 278 U. S. at 515.

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REPLY BRIEF OF PETITIONER.

The Conflict.

The Second Circuit held in the *Shallcross* and in this case that a "tempering agent" need not be an oil.

The Third and Seventh Circuits did not follow this holding. They held that defendant's respective stencils each having an oil had a tempering agent. This was in conformity with the patent specification which says: "• • • a tempering agent such as an oil, • • • ", and "For this purpose I prefer to use castor oil or a similar oil • • • ". Respondent in the *Kensington* case urged that tempering agent is limited to a permanent oil.

Respondent says: that the patented coating has "soft oily material amounting to several times the amount of nitrocellulose" (R. Br. 3). But the Third and Seventh

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Circuits held that a tempering agent is an oil, irrespective of the amount. They made no distinction between the physical and chemical attributes of an oil.

The Second Circuit in this case held "in the light of the specification" that defendant had "The coating, whether castor oil or amylstearate be employed as a tempering agent, (which) forms 'with the cellulose ester and its solvent a homogeneous body', and thus is within the claims of the patent" (R. p. 1202). As amylstearate is not an oil, the Second Circuit went beyond the issue presented by the patent, and also enlarged the claim by reading the specific concept "of a homogeneous body" into the claim.

The Third Circuit when it said: " • • • in construing the claims with respect to defendant's oil practice—and that is all the court could validly do • • • " (46 F. 2 899) undoubtedly had the patent in mind. In other words, a tempering agent means a "castor oil or similar oil".

A composition of matter or product claim must be so defined as to stand on its own feet independent of the specification. As a product claim embraces all products, however produced, its characteristic features must distinguish from the prior art and clearly define the point of the invention. The chemical formula claim in suit does not distinguish from the prior art Campion patent, nor does it tell the public what the end product is which is sought to be monopolized. The decisions below are in conflict with these principles. The courts are powerless to change an issued product claim by construction.

The conflict in construction of the patent is evident from reading the opinions of the trial court, the Special Master, the District Court and the Court of Appeals, from which four opinions different constructions appear.

The Departure.

Validity of the patent in this case followed the *Shallcross* case (decided on affidavits), which followed the *Simplicator* case of the same circuit. But the *Simplicator* case made no reference to the claims here in issue and decided validity on extraneous matters.

The District Court at the trial in this case, made no reference to the claims, and set up a rule controlling infringement not described in the patent, and made no reference to tempering agent—much less defined it.

The Special Master on having the new stencils presented to him in the accounting under the Interlocutory Decree had no criterion as to "tempering agent" to follow. He followed the dictum in the *Shallcross* case as to a large quantity of oily materials. This is not the invention in the patent.

The District Court followed this theory of the Special Master, and held that the tempering agent was a large quantity of oily material. It referred to no subordinate facts establishing that the ingredients of defendant's constituents worked like the "tempering agent", or oil (irrespective of the amount) of the patent. It did not hold that amylstearate was the tempering agent of the patent. There was no satisfactory evidence to enable such a holding to be made. The uncontradicted and unshaken evidence of petitioner is that amylstearate is a solvent and not an oil, and therefore not the tempering agent of the patent.

The Court of Appeals read the chemical formula claim "in the light of the specification", but this product claim must stand on its own feet.

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The Novelty of Question 1.

The confusion in the Second Circuit resulting from this "light of the specification" doctrine is shown in *Schering* v. *Gilbert*, 153 F. (2) 428 (C. C. A. 2), (Judges Swan, Chase and Frank), where Judge Chase said at page 432, in respect to a product claim: "Said claim 2 is to be read on the specification and not as nothing but a chemical formula apart from its setting." Judge Frank in his dissent said, at page 435, "The precise position of my colleagues is not entirely clear".

Judge Frank then questions, at 434, the validity of a product claim (entirely apart from the process by which it is made), and says: "In *Binney & Smith Co.* v. *United Carbon Co.*, 125 F. (2d) 255, 258 (C. C. A. 4), the court, citing cases, said that unquestionably there could be a valid claim for a product alone regardless of the process; but that decision was reversed in *United Carbon Co.* v. *Binney & Smith*, 317 U. S. 228, where grave doubts are cast upon any such doctrine", referring to *General El. Co.* v. *Wabash*, and *Musher Foundation Co.* v. *Alba Trading Co.* cases, mentioned in petitioner's main brief. He said also: "If the statutory provision authorizing the issuance of a patent for a 'composition of matter' were interpreted to validate such claims, then that statutory provision might well be unconstitutional, since it would authorize the creation of monopolies which 'would discourage arts and manufacture'."

He also said: "For recent decisions of the Supreme Court indicate that it is extremely doubtful whether a broad claim which, standing by itself, would be invalid, can be saved by limiting it through reading into it the specifications, *where as here nothing in the claim in any way refers to the specification*" (p. 435) citing cases.

A product claim must present invention, *Berlin Mills Co.* v. *Proctor Gamble Co.*, 254 U. S. 156, 65 L. Ed. 196, 200.

Addendum.

The foregoing meets the issues. As respondent's brief questions some statements of fact made by petitioner, and makes some statements which we think should be questioned, we feel compelled to set the matter right.

R. Br. 1.—The Special Master did not make separate findings as inferred by respondent. The *Goodyear* case probably had satisfactory findings.

R. Br. 2.—The validity of the patent does enter into the present case, since the issue presented by MO_{37} and MO stencils is beyond the issue decided by the Interlocutory Decree. Respondent states "The patent has been held valid in three circuits"; but in the Third Circuit the defendant was bound by *res adjudicata*, and in the Seventh Circuit the *Shallcross* case was followed largely by comity. In the present case petitioner did urge invalidity of the patent, if extended to the MO_{37} and MO stencils.
stencils. (*Minerals S. N. A. Corp.* v. *Magma Copper Co.*, 280 U. S. 400, 403.)

In the present case, a different construction was given to the patent than in those cases where defendant used castor oil or oleic acid (red oil). In the present case, the trial judge, the master, the District Judge, followed the percentage rule of the *Shallcross* case, misapprehending it to mean "oily materials", and compared the P. E. extract (all the constituents of the coating grouped together, without the nitrocellulose) instead of comparing separately the ingredients. The Court of Appeals, while referring to that rule, decided the case on other grounds.

The *Simplicator, Arlac* and *Heyer* cases were limited to defendant's oil practices.

In the *Simplicator* case, the claims without a tempering agent were held invalid on the ground that they were

broader than the invention disclosed. On rehearing it was said that this was moot.[1] Nevertheless, respondent was under notice that its claims were too broad, and instead of disclaiming these claims, the patent continued to assert their validity. (*Marconi Wireless Tel. Co. of Am. v. U. S.*, 321 U. S. 1.)

R. Br. 3.—Under "Subject-matter of patent", appears a definition of the invention which is not found in the patent. If the coating must be "strong enough" and "fluid enough" and possess these "antagonistic qualities", the patent is silent as to their delimitations to instruct the public as to how strong or how fluid. The "soft oily material" cannot possibly change a hard nitrocellulose. This must first be subjected to a volatile solvent to soften and make it fluid, before the oil of the patent can act on it. The patent says "such as an oil" and "castor oil or a similar oil", and does not speak of "soft oily material" as the element to react on the nitrocellulose and its solvent. When castor oil is added to the nitrocellulose in solution, a chemical reaction takes place, in that the nitrocellulose is precipitated and forms oil swollen fibers (R. pp. 224, 412). Merely adding oil to nitrocellulose without such chemical action, to produce what is called a "physical combination" would present a mere unpatentable aggregation, in which each works as it always worked in a mixture form without the production of anything of patentable novelty. In confining the oil of the patent to "several times the amount of nitrocellulose", respondent disclaims oil and nitrocellulose, and thereby admits that the claim as drawn is invalid. A specific amount or a

1. *Addressograph-Multigraph Corp.* v. *Eva Cooper, et al.* (C. C. A. 2) decided July 18, 1946, where Judge Clark in his dissent said: "But I have seen no case which says that, when a court has gone on to decide a question now asserted to have been 'moot', its judgment is a nullity between the parties. Indeed, the idea is contrary to settled conceptions of *res judicata*."

"several times" cannot be read into the tempering agent of the patent.

If the "art knew what a tempering agent was", prior to the patent, there certainly was no invention in the patent.

Respondent says: "As pointed out in their various opinions, the courts concurred in finding that a tempering agent meant a relatively large proportion of a material, such an an oil, that is a material having the physical and not the chemical properties of an oil". But the cited *Shallcross, Arlac* and *Heyer* cases did not so hold.

The *Shallcross* case said: "the test of what is oil is not the chemical meaning of the word but its general meaning, so long as the ingredient serves the purpose of a tempering agent. Oleic acid is commonly spoken of as an oil and is a satisfactory tempering agent."[1] Thus, oleic acid, irrespective of its quantity, is the tempering agent. What a "general meaning" of an oil is, is not set forth.[2] The patent is addressed to a man skilled in the art of cellulose and oil. And oil is oil. (The word originates with olive.) And oil has three fatty acids of which the most liquid is oleic acid.

This "general meaning" must have given trouble to the Third Circuit. This *Arlac* case said "Evidently for the purposes of that case (*Simplicator*) the words 'tempering agent' were construed without limitation except as to function". The *Arlac* case held infringement irrespective of amount of oleic acid. In the *Heyer* case, the District Judge, whose opinion was adopted by the Seventh Court of Appeals, said: "defendant must face squarely the question whether or not oleic acid is a tempering

1. Oleic acid is called an oil in *Mineral Separation Co.* v. *Butte S. Min. Co.*, 250 U. S. 336, 63 L. Ed. 1019, 1023.

2. The Court decided the case on affidavits without benefit of cross-examination.

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agent, as defined in the patent." He said nothing about a proportion.

R. Br. 4.—Respondent says: The courts have "without exception adhered to this construction". We cannot find anything in the *Simplicator* case that defendant's stencil consisted of "a large proportion of castor oil". In the *Shallcross* case, a large proportion of oleic acid was referred to, but no statement appears in that case as "which has the physical but not the chemical properties of an oil". Nor does such a definition appear in the *Arlac* or *Heyer* cases cited by respondent to support its statement. "Not the chemical properties of an oil" as used by respondent, means no chemical properties at all. But, it is obvious, a part of an oil, like the important liquid part, to wit, oleic acid, must have *some* of the chemical properties of an oil.

R. Br. 4.—The *Kensington* case, called the Duplicating Machine & Supply Corp., 72 F. (2) 268, is described. Respondent says—"a stencil sheet containing a substance gelatin, which was claimed to be functionally equivalent to a cellulose compound and a tempering agent consisting in part of water (which has no physical or other resemblance to oil), was held outside the scope of the claims".

Respondent seems to have overlooked mineral oil, which has the physical and chemical properties of oil. The court said in the *Kensington* suit, "the alleged infringement consisted in the stencil sheet containing *no cellulose compound;* its ingredients were gelatin and a small amount of water, *a mineral oil* and iron pigment". Respondent in the *Kensington* case does not appear to have urged that the tempering agent had no chemical properties, but did urge quite the contrary, namely, that " 'tempering means' is limited to a permanent oil of non-hygroscopic character".[1] (p. 269).

1. This disclaimer of a non-oil resembles the disclaimer in *Mineral Separations* v. *Butte & S. M. Co.*, 250 U. S. 336, 352.

R. Br. 5.—Respondent says that the previous decisions construed "'tempering agent' to mean a substance such as an oil, that is one which has the physical, but not the chemical, attributes of an oil". The patent speaks of "tempering agent such as an oil" and not that the tempering agent means a "substance such as an oil". The decision (*Duplicating* case) does not make "plain in giving this meaning to 'tempering agent' • • • ". The decision simply said: "the claimed infringing stencil sheet contained a small quantity of nitrocellulose and oleic acid as a tempering agent". Respondent says: "Thus, the construction of the patent reached in all the decisions is exactly the same". By using "thus", respondent seeks to make it appear that its phraseology was the construction of the patent, whereas the courts simply held castor oil or oleic acid (red oil) to be a tempering agent without regard to its amount.[2]

R. Br. 5.—It says: "All three courts had before them evidence showing that oleic acid, while not chemically an oil, was physically of an oily nature". These records are not in this suit, and should not have been referred to. But, in the *Shallcross* case, Dr. Grosvenor testified for respondent, "As a matter of fact oleic is an oil" (p. 54), and "Oleic acid • • to all practical purposes behaves like castor oil • •." It certainly must act chemically as an oil.

R. Br. 6.—Respondent says: "The construction given to the patent • • • was identical in the two cases" (*Kensington, Shallcross*). But the *Kensington* case did not give the patent the construction which was given to it by the *Shallcross* case. The *Duplicating-Kensington* cases, did not say that an oil is not essential; nor did the *Kensington* case follow any of the extraneous matter of the *Shallcross* case.

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2. Excepting the erroneous *Shallcross* case.

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R. Br. 6.—" • • • the Master considered stencil sheets which, like that before the Court at the trial, • • • ". The Master did first consider the A F stencil under the decree, and when this was accounted for, respondent for the first time urged other stencils to be infringements, instead of filing a separate suit, or bringing the matter up on a supplemental injunction motion in which petitioner could have set up the prior art.[1]

The compositions were certainly not "substantially the same". Nor were the later stencils like the A F.

Respondent did not make any contention at the trial that mineral oil and amylstearate was the tempering agent in the claims, because the stencil was a wax layer stencil, and the amylstearate was used only in the nitrocellulose *varnish* over the wax, thus necessarily in very small quantity. These A F stencils had a very large quantity of oleic acid. The expired Dick patent described a varnish of nitrocellulose or gun cotton. Judge Patterson followed the Shallcross percentage rule (a small percentage of nitrocellulose and a large percentage of oily materials) saying the coating contains only 3.8% of waxy material, as against 7.1% nitrocellulose, 71.6% liquid oily material and small amounts of other materials". Nothing appears in the opinion as to what constituents made up the "liquid oily material". The court virtually wrote its own patent when it said that the Marr sheets "infringed the Hill patent because in their completed state the nitrocellulose is distributed throughout the coating and acts as a binder for the oily materials". The patent is silent about a binder. Elsewhere, the court had said: "the Marr sheet is one where the nitrocellulose, wax and oil form a homogeneous coating • • • " again departing from the patent. A homogeneous coating is not the "homogeneous

1. *Westinghouse* v. *Fornica*, 266 U. S. 342, permits prior art to be used to narrow the scope. But the Special Master declined to allow such prior art.

body" of the patent, since the "homogeneous body" in the patent is a chemical desideratum required from the use of a particular kind of oil, such as "castor oil or a similar oil", whereas any other kind of oil may make a homogeneous (mechanical) coating, and not a "homogeneous body" (chemical).

Judge Patterson's decision in this case, dehors the issues, is still open.[1]

But when the new stencil MO_{37} and MO came into the accounting, Dr. Worden for the petitioner testified without contradiction that a large amount of amylstearate prevents the nitrocellulose from precipitating, and that the amylstearate *dissolves* the nitrocellulose, and thus cannot be a tempering agent. The destroyed nitrocellulose is not the cellulose compound of the claim. As the Master, and the District Court followed Judge Patterson's opinion as to the liquid oily material percentage ratio, they did not compare the respective ingredients of the patent and of petitioner's stencils (MO_{37} and MO), the Master even declining to consider any chemical reactions. Neither the Master, nor the District Court, nor the Court of Appeals held that defense "contrary to the facts" (R. Br. p. 7). The Court of Appeals said that the destruction of the nitrocellulose fibrous structure, was irrelevant.

R. Br. 7.—The decisions at the trial and accounting did not construe the word "tempering agent" in the claims to mean a large proportion of a material having the physical characteristics of an oil and in finding that petitioner's material containing "mineral oil, amylstearate and wax was physically of an oily nature". In support of this erroneous statement, respondent cites the false findings 10-19.

R. Br. 11.—The testimony in the case being conclusive that the amyl compound is not oil, both experts in the

1. *Western States Machine Co. v. S. S. Hepworth Co.*, 152 F. (2) 79.

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accounting so testifying, respondent falls back on a statement made during the trial by a witness, who disclaimed knowledge of all chemical actions, and who was declared by the judge to be "not a chemist". He said that amylstearate was a liquid and of "an oily nature". Such a witness could speak of his impression of the viscosity attributes but not of the chemical attributes. This testimony of a layman adduced by respondent on cross-examination, as to the oily nature of the liquid, has no probative value.

Respondent has no other point to cling to than this layman's statement made at the trial.

Respondent states that all the courts concluded that tempering agent in the claims means a "*large* proportion of a material, such as an oil" (R. Br. 8). Respondent in defining the "Subject matter of Patent" (R. Br. 3), states that the coating consisted of a cellulose compound—nitrocellulose, which is ordinarily a hard substance such as celluloid— and soft oily material amounting to *several times* the amount of nitrocellulose (R. Br. 3). It reiterates, "a relatively *large* proportion of a material, such as an oil" (R. Br. 3-4); a "*large* amount of castor oil" (R. Br. 4); a "*large* proportion of oleic acid" (R. Br. 4); and a "*large* proportion of a material" (R. Br. 7).[1]

Respondent urges for the first time that oil is to be considered only physically instead of chemically.

These are undisclosed specific concepts of invention.

Perhaps, "tempering agent" may be narrowed on the disclosure in the specification to oil or castor oil, but the amount of oil does not determine the tempering agent as such. A thing is either a tempering agent or it is not. Whether the quantity is large or small, the characteristic of a tempering agent is not changed. Respondent's above

1. These restrictions disclaim the claim as written and limit the doctrines of equivalents. *Weber El. Co.* v. *Freeman*, 256 U. S. 668, 678.

self-imposed restriction of the tempering agent to a "large quantity" proves the invalidity of the claim as issued—a cellulose compound and a tempering agent.

Tempering agent cannot be enlarged to a specific amount of oil—either large or small—as this is inconsistent with the meaning of tempering agent generally. Indeed, this amounts to rewriting the claim to this specific concept, which the patentee might have claimed but did not.

The "means" of the patent (R. Br. p. 8) is the "tempering agent", that is, castor oil or a similar oil. It is not the large proportion.

However, when we speak of "a large proportion" of such oil rather than of oil without reference to the amount, we immediately create a different means than that set forth in the claim.

And the Third Circuit and Seventh Circuit have held oil (oleic acid) to be the tempering agent of the patent. Neither opinion qualified that holding by mentioning any "large proportion". The Second Circuit (*Simplicator* case) held defendant's stencil to have a tempering agent, without defining it, and without stating anything about a large proportion (Judge Woolley in the Third Circuit states that it was castor oil without any reference to its amount). The Second Circuit (*Shallcross* case) did state that defendant's stencil uses a "large amount of oil". But the important fact here is "oil". The quantity used here is irrelevant, as the claim reads "tempering agent", which is the aforesaid means, irrespective of the amount.

The Findings Are Not Complete.

Respondent on page 6 defines the trial or A F stencil as containing "wax, amylstearate, and mineral oil", citing record pages 38, 63, 64. But Jepson, on page 38 stated that "there are 39 parts of ordinary common known waxes

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and there are 42 parts of oils and fats", and on page 39 states "Is there anything else in it besides wax, oil, nitrocellulose and Yoshino? A. No. I do not think so. Color, that's all" (fol. 117).

Judge Patterson, at the trial said it was "nitrocellulose, wax and oil" (R. p. 78). He made no reference to amylstearate or mineral oil. He made no separate findings.

On page 63, Jepson said that he included amylstearate in the "oils and fats" (fol. 189), and on page 64 he states he included "spindle oil" (mineral oil) in the "oils and fats" (fol. 192). There is nothing in the finding to show the 39-42 ratio of "waxes" to "oils and fats", and no reference is made to "fats".

Nor does the finding on the A F stencil include oleic acid (red oil).[1] Respondent's expert made his *prima facie* case on oleic acid (red oil). On record, page 14, folio 42, the expert explains the action of the oleic acid on the nitrocellulose, and on page 15, folio 44, he compares the "slightly more impure oleic acid" of the A F or trial stencil, with a "quite pure grade of oleic acid which we had in the laboratory." He made no mention of amylstearate and spindle oil, as the quantities were probably so small as to be negligible.[2]

To state that the A F stencil contained "wax, amylstearate and mineral oil" (R. Br. 6 and the finding) is to state the facts only partially. When petitioner moved for a full and true statement of the facts, he was informed that he was asking for "evidential details".

Respondent states that in the accounting the stencil sheets "contained mineral oil, amylstearate and wax", and says the findings on the MO_{37} and MO stencils so state.

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1. Oleic acid is the chemical liquid constituent of a fat or oil.

2. Petitioner could not make the "defense" referred to by respondent on page 7, because respondent's case was based on oleic acid. The reference to amylstearate and spindle oil was elicited by respondent's cross-examination of a layman, who read from a paper.

But these stencils contained no "wax" in the sense of the A F stencils. They did contain amylstearate in a large proportion. They contained no fats (R. Br. 401, fol. 1293). They contained no oleic acid. (The MO_{37} had only a negligible amount of less than one per cent.) The findings did not state the proven proportions of the amyl compound, mineral oil, and nitrocellulose. Again, the statement of respondent (R. Br. 6) and the MO_{37} and MO findings are fragmentary of the true facts.

It is not going too far to state that the findings (on the A F, MO_{37} and MO stencils) are false in the face of the proven facts (R. p. 14, fol. 42; p. 15, fol. 44; p. 39, fol. 117; p. 194, fol. 582; p. 502, fol. 1505; p. 525, fol. 1573).

Yet they should be undisturbed, argues respondent, because infringement is a "question of fact" (R. Br. 9). The four authorities cited are all law cases. In a law case, the judge informs the jury what the invention of the patent is, and then leaves it to the jury to compare defendant's structure with that definition, as stated in one of the law cases cited, *Coupe* v. *Royer*. But in an equity case, infringement is a question of law and fact. The *California Packing Co.* v. *Molitor* case cited in the Petition stated this elementary principle. Under *Sanitary Ref. Co.* v. *Winters*, 280 U. S. 30, 36, it is a question of law. Moreover, an equity case brings up all the facts in contrast to a law case which is confined by its writ of error. (*Radio Corp. of Am.* v. *Radio Eng. Lab.*, 54 S. Ct. 752; 78 L. Ed. 1453.)

Question 2, however, goes much deeper than the question of fact stated by respondent on page 9. In any event, complete facts must be stated. Are partial facts or similar incidental facts sufficient to bind a party throughout the appeals? Do such facts become sanctified because of the inertia of a trial judge or by the pressure of work of an appellate court? The *Esnault-Pelterie* case required

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the facts to be full and complete in a law case. There is no sound reason why in an equity case they should not be as complete.

Respondent's Brief, Page 10.

Paragraph 3 of the decree required an accounting of the infringements of the claims by the stencil held to infringe at the trial, to wit: the A F stencil. This stencil was largely oleic acid (red oil), fats, waxes, the proportions not proven by respondent. Also some amylstearate and some spindle (mineral oil), if Jepson's testimony has any value.

The MO_{37} stencil was largely the amyl compound (amylstearate and stearic acid), (35%), mineral oil 7% and paraffine (not a wax but loosely called paraffine wax), no fats, no waxes, no oleic acid save an admittedly negligible amount.

The MO stencil was largely the amyl compound, 42%, mineral oil 7%, paraffine, no fats, no waxes, no oleic acid.

By no stretch of the imagination can the MO_{37} and MO stencil be considered colorable imitations of the A F stencil when element by element is compared.

The questions presented, Nos. 3 and 4, are real and not moot.

Holding the MO_{37} and MO stencils colorable of the A F was based on an error of reasoning. Because the solution or extract of the chemical constituents other than nitrocellulose was misnamed an oily liquid, proper as applied to the A F oleic acid or red oil in large quantity, but inaccurate when applied to the MO_{37} and MO stencils which had mineral oil only in the small percentage of 7%, therefore it was concluded that the stencils were colorable imitations. Such a consideration was entirely foreign to the issue raised by the claim in issue.

Respondent (R. Br. 10 and 11) seeks to impugn petitioner's statements (Pet. B. 4, 6, 7, 8, 12) but admits that amylstearate is a solvent rather than a softener for nitrocellulose, citing R. pp. 225, 596-598.

Respondent's other statements on page 11 are not material. The record, pages 205, 251, 418, does not bear out the statement that amylstearate is chemically similar to castor oil. It is not. That statement rests only on the evidence cited, namely, that castor oil is an ester (R. p. 251, fol. 752) and amylstearate one of the aliphatic esters (R. p. 205, fol. 615). But these are totally different esters. The controlling fact, appearing on the cited page 418, is that amylstearate is not an oil. Castor oil is a vegetable oil made from the castor bean. Castor oil of the patent softens and does not dissolve nitrocellulose (R. p. 577, fol. 1731).

The reference to iso-amylstearate in respondent's brief (p. 11) relates to questioning as to smell. The presence of 42% of amyl compound was so indisputably proven that the Special Master held petitioner's analysis of the MO stencil to be without question (R. p. 502).

As to the MO_{37}, respondents' own witness admitted it had an amylstearate content of about 35% (R. p. 194, fol. 582).[1]

Petitioner's statements in the Petition (Pet. B. pp. 4, 6, 7, 8, 12) are fully supported by the record.

Respondent's Brief, Page 13.

The factual statements of Mr. Marr were not contradicted. It is not unusual for a new corporation to employ employees familiar with the business. All of respondent's statements (R. Br. pp. 12-14), relate to the penumbra, not to the ambit of the question.

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1. In view of these facts, it is astonishing to read the top of page 11, and then find that support for the statement made rests on some smelling tests after the witness had testified about his analyses which the Master had held uncontradicted.

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The Special Master's gratuitous conclusion (R. Br. 13) resulted from jurisprudence of sentiment or feeling ("there is no question in my mind"), and not from the undisputed facts. Agency must be established by facts. Facts may establish an alter ego relationship, but "really alter egos" implies a guess (R. Br. 13).

The facts stated in Question 6 are based upon the testimony adduced from Mr. Marr by respondent's counsel. 1. "The California corporation was incorporated by the creditor of Mr. Marr's former California business" (R. p. 97, fol. 290; p. 104, fol. 311; p. 126, fol. 377; pp. 127, 128, 129). 2. "Divested himself of all the incorporating stock at the time of the incorporation" (R. p. 97, fol. 290; p. 105, fol. 314; p. 127, fols. 380, 381; p. 128, fols. 382, 383; p. 130, fol. 389). 3. "Never thereafter voted the stock" (R. p. 130, fol. 389). 4. "Never attended any stockholders' meeting" (R. p. 128, fol. 383).

There were no records of the corporation in evidence which contradicted these facts, as alleged in R. Br. 12. The question does not include the partial erroneous facts relied upon in the opinions.

The citations to the record in R. Br. 13, to-wit, pp. 97, 100, 104, 130, do not support respondent's statement that "official records show that the petitioner organized it and remained the sole stockholder".

The references to intercompany and intersales (R. Br. 13) by the accountant were made after the Special Master had ruled against the petitioner in holding that the California corporation was to account. Loose statements by an accountant under such circumstances have no legal value.

The stipulation referred to on R. Br. 13, made by the Special Master and the quoted portion of counsel's statement were made after the Special Master's ruling that the California corporation was to account, and only in

the light of a discussion as to saving expenses. The statement was not to be construed as an admission.

Nothing urged by respondent changes the correctness of the facts stated in Question No. 6.

The cases where an individual incorporates, as the *Diamond Drill* case, have no application. In the case at bar, the individual had no stock control over the corporation (R. p. 109, fols. 326, 327).

As to respondent's claim (R. Br. 14) that the profits would inure to petitioner; this is impossible as respondent could collect them by suit against the California corporation.

New York, N. Y., October 9, 1946.

Respectfully submitted,

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